



August 8, 2005

To the Members of the Indianapolis/Marion County City-County Council:

I welcome the opportunity to present the 2006 Budget for the Consolidated City of Indianapolis and Marion County. Indianapolis remains a vibrant and thriving city with a bright future; and the 2006 budget fully funds the essential services that make Indianapolis a world-class city, while ensuring public safety, improving criminal justice and building stronger neighborhoods.

But the budget also presents a grim reality: the City faces many fiscal challenges, particularly as it relates to public safety and criminal justice. This budget will no doubt spark a debate and discussion inasmuch as it takes steps to address several long-standing funding problems, most notably providing additional funds to alleviate jail overcrowding. By many standards, 2006 will be a difficult year, but this budget responsibly balances fiscal reality with the needs of a world-class city.

The Consolidated City of Indianapolis and Marion County's 2006 annual budget totals \$813.9 million. We've taken unprecedented steps to cap spending and bolster the City's savings account and be responsible in the face of financial challenge. And despite contractual and health insurance increases expected in 2006, the overall budget increased only \$20.8 million over the combined 2005 city and county budgets. The growth in the combined budget results primarily from the City-County Council's decision in February of 2005 to raise the County Option Income Tax by 1/10th of a percent to provide more funding for improving Criminal Justice in the City of Indianapolis - Marion County. I'm happy to say that this proposed budget will maintain the same property tax rates for both the City and County residents as in 2005.

In these difficult financial times, we must work together to address both the 2006 budget and the looming crisis in years beyond. I look forward to discussing the 2006 budget with you.

Sincerely,

Bart Peterson